

TERMS OF REFERENCE FOR NEW MINISTRIES DEVELOPMENT and LEADERSHIP FUND

1) NAME OF FUND

New Ministries Development and Leadership Fund, hereinafter called THE FUND.

2) PREAMBLE

The New Ministries Development and Leadership Fund has been established by Toronto Conference (Executive Minutes November 26, 2014) as one result of extensive consultations on the use of proceeds from property sales and governed by these Terms of Reference developed by and once agreed to by THE PARTNERS to THE FUND.

The source of funding both initial and ongoing is

- (a) the proceeds of sales of property accruing to Toronto Conference in accordance to the polity of The United Church of Canada and allocated in accordance to the Toronto Conference Policy – Property
- (b) Net proceeds of investment including net capital gains

The initial funding provided as set out in the Toronto Conference Executive action was \$3,000,000 with both capital and earnings on investment to be available for the purposes of THE FUND.

Because it is recognized that activities supported by THE FUND can have implications and learnings across local communities of faith, presbyteries and Toronto Conference, projects based on partnerships and sharing of results should be highly valued.

3) PURPOSE

THE FUND will support NEW MINISTRIES and LEADERSHIP DEVELOPMENT initiatives in Toronto Conference through providing grant-based funding.

4) DEFINITIONS

NEW MINISTRIES is a program of funding and support for the exploration, formation and establishing of new intentional faith communities and non-traditional approaches to Christian ministry, or the redevelopment/revitalization of a community of faith or grouping of communities of faith of The United Church of Canada solely and within the geographical boundaries of Toronto Conference with the intention of responding to new communities and/or reaching out to those within existing communities who are not engaged with traditional forms of church. New ministries can emerge from an existing community of faith or alongside established ministries or as stand-alone entities.

LEADERSHIP DEVELOPMENT is a program of funding and support to identify, train, and deploy individuals with potential to become effective leaders in emerging forms of ministry, in the establishing of new intentional faith communities and/or repurposing of established faith communities and training and motivating others in leadership roles.

Partners to THE FUND are Toronto Conference of The United Church of Canada, Living Waters Presbytery, Northern Waters Presbytery, South West Presbytery and Toronto Southeast Presbytery or their successors which for purposes of this document are collectively known as THE PARTNERS.

Current Annual Starting Balance (CURRENT BALANCE) is the actual balance in THE FUND on January 1st of any year adjusted for commitments, accrued expenses and net investment income, and replenishment of capital.

Current Maximum Capital (CURRENT CAP) is the amount to which THE FUND will be replenished as set out Section 5(b) and as additional monies may become available.

Initial Capital (INITIAL CAP) is the \$3,000,000 allocated by Toronto Conference in setting up THE FUND.

The Presbyteries of Toronto Conference Corporation (PTCC) is a charitable Ontario Corporation formed on June 30, 2010 to serve the Presbyteries of Toronto Conference in The United Church of Canada by playing an active role in their work and mission by making grants to the presbyteries through Toronto Conference and to other charitable organizations of annual earned income and capital.

5) **FINANCIAL TERMS**

The initial value of THE FUND is \$3 million. It will be maintained at that value (adjusted for inflation) through annual replenishments from the proceeds of sale of property to the extent such funds are available.

In a given year, THE FUND can commit up to 25% of its January 1st opening balance (including capital replenishments, but net of outstanding prior commitments). A commitment may result in spending in the same year or in a future year.

A more precise description and further details follow:

a) CAPITAL

THE FUND is established with an initial amount (INITIAL CAP) of \$3,000,000 and will be capped at that amount unless otherwise determined by the policies of Toronto Conference Executive and section 5 b) following

b) SETTING THE MAXIMUM AUTHORIZED VALUE OF THE FUND (CURRENT CAP) IN THE FUTURE AND REPLENISHMENT OF CAPITAL

- i) The maximum authorized value for THE FUND will grow with inflation and that authorized maximum value will be established as of January 1st of each year.

- (1) The inflation factor (INFLATION FACTOR) will be the percentage increase in the Consumer Price Index (CPI) for the year two years prior, as published by Statistics Canada. This is the same inflation factor used and published annually by The United Church of Canada to adjust minimum salaries. For clarity the INFLATION FACTOR used for January 1, 2016 will be that published for the year 2014.
 - (2) The inflation factor so derived will be applied to calculate a CURRENT CAP as of January 1 of the year as follows: $CURRENT\ CAP = CAP\ AS\ OF\ JAN\ 1\ OF\ YEAR\ PRIOR \times (1 + INFLATION\ FACTOR)$ rounded to the nearest dollar.
 - (3) For purposes of the first calculation of the CURRENT CAP, THE FUND is assumed to have a value of \$3,000,000 on January 1, 2015.
- ii) The capital of THE FUND will be replenished if on January 1st of any year the amount in THE FUND before replenishment is below the CURRENT CAP calculated for that date.
 - (1) The January 1st amount before replenishment will be determined by adjusting the actual balance in THE FUND for commitments made but not yet paid and expenses and net investment income accrued but not yet realized.
 - (2) The capital will be replenished by allocation of the proceeds of sale of property as set out in the policies of Toronto Conference to the extent that such funds are available. As a result, the CURRENT BALANCE in THE FUND as of January 1st in any year may be less than the CURRENT CAP.
- c) **FUNDS AVAILABLE:** For the purposes of THE FUND and in accordance with the criteria set out in following sections both income and capital may be used as set out below:
 - i) In a given year, new commitments may be made of up to 25% of the CURRENT BALANCE at the beginning of that year. A commitment made in a given year can result in spending in that year or in a subsequent year.
 - ii) Sufficient income and capital must remain to meet current commitments.

6) USE OF FUNDS

CRITERIA FOR GRANTS FROM FUND

- a) Grant Requests
 - i) may be submitted by THE PARTNERS individually or in partnership.
 - ii) may be submitted by communities of faith of The United Church of Canada individually or in partnership with other communities of faith of The United Church of Canada provided such request is approved and forwarded by one of THE PARTNERS.
 - iii) Each PARTNER will determine their method of approval. In presbyteries, approval must be either through Executive or plenary, and at Conference the Executive will make the decision.

b) Eligible projects

- i) initiatives in support of NEW MINISTRIES both within or alongside established ministries or as stand-alone entities;
- ii) planting of new communities of faith including support for planning, consultation and leadership during the startup period not to exceed 10 years;
- iii) LEADERSHIP DEVELOPMENT and training for new forms of ministry and church development and redevelopment;
- iv) major capital projects are not eligible;
- v) other projects which the GRANT REVIEW COMMITTEE may determine are suitable to the purpose of THE FUND and worthy of support.

c) Eligible Expenses

- i) Salary and benefits costs, fees and disbursements for consultants and facilitation, and directly related office, communications and travel provided that none of the foregoing subsidizes costs of pre-existing staff and expenses.
- ii) Fees, tuition, travel in support of LEADERSHIP DEVELOPMENT learning and training.
- iii) Program operating costs
- iv) Ancillary capital costs for small office and equipment purchases or minor renovations.
- v) All of the foregoing to be subject to approval of a budget submitted with the grant request.

d) Eligible Grant recipients

Payments may only be made to an organization with current CRA charitable status.

- i) Toronto Conference or its successor;
- ii) Any of THE PARTNER presbyteries or their successors acting individually or in partnership with one or more other presbyteries, although Toronto Conference or another competent body may hold and administer the funds;
- iii) A local community of faith or grouping of local communities of faith working together, subject to a prior clear agreement as to a single local community of faith who will hold and disperse funds and be financially accountable;
- iv) Individuals seeking learning opportunities are eligible in the context of future ministry initiatives of community(ies) of faith, presbytery(ies) or the Conference, subject to the funds being held and disbursed by one of the above accountable

organizations and that the grant receiving organization has current CRA charitable status.

e) Funding limits

- i) Per annum maximum grants from THE FUND
 - LEADERSHIP DEVELOPMENT: up to \$50k for a group project per annum
 - LEADERSHIP DEVELOPMENT: up to \$10k for an individual's project per annum
 - NEW MINISTRIES: up to \$100k for a project per annum

- ii) Time Frames
 - Initial proposals may be made for terms up to 30 months
 - For extensions of funding, applications must be made one year before the ending of the current commitment
 - The term for extensions of funding may be made for up to an additional two years
 - For new multi-year programs, initial funding will be for a feasibility or testing phase of no more than 30 months including an evaluation of the viability of the project undertaken in the 18 to 24 month period. In the event that the project is judged not to be viable or not likely to achieve its aims, funding will be terminated as soon as possible, but there will be no funding beyond the 30th month
 - Renewable funding extensions for a total of up to eight years which indicates a potential total maximum funding for 10½ years
 - In longer term projects, grant funding will decline over time

- iii) Co funding requirements
 - THE FUND will provide up to 2/3 of the total project budget

- iv) Reporting
 - All funded projects will be required to report annually

7) GRANT REVIEW COMMITTEE

a) MEMBERSHIP OF THE GRANT REVIEW COMMITTEE

- i) The chair appointed by Toronto Conference Executive and two persons named from each PARTNER, preferably one lay and one ministry personnel

- ii) The terms of appointment will be for three years, with renewal up to three years, recognizing the need to provide continuity

- iii) Members of the GRANT REVIEW COMMITTEE have a primary responsibility to THE FUND, and are not advocates for the appointing PARTNER

- iv) The GRANT REVIEW COMMITTEE will determine the need for other officers

b) RESPONSIBILITIES OF THE GRANT REVIEW COMMITTEE

- i) To develop operating procedures for THE FUND
 - ii) To review and approve or reject grant applications.
 - iii) To forward approved grant applications to PTCC for PTCC Board administrative review, approval, and when approved, payment of grants to the charitable organizations receiving the grants.
 - iv) To report to THE PARTNERS after each grant cycle
 - v) To prepare an Annual Report
 - vi) To review grant criteria and seek approval for changes from THE PARTNERS at least every three years
 - vii) To review the grants at least every two years to ensure, to the extent that grant submissions allow, that both leadership development and new ministries projects are being given consideration and funding and that over the long term the purposes of THE FUND are being addressed
 - viii) To monitor the financial state of THE FUND, including tracking future commitments to ensure that sufficient funds are available
- c) **Administrative support**, determined by the Grant Review Committee, will be provided by Toronto Conference with funding from THE FUND.

8) GRANT APPLICATION PROCESS

a) TIME FRAME

The granting cycle will be determined by the GRANT REVIEW COMMITTEE with timely advanced notices issued and taking into account the schedule of PTCC Board meetings.

b) PROPOSAL EVALUATION

- i) Evaluation of each project should include consideration of the following questions:
 - (1) How well does the proposed project fit the purpose (Section 1) and criteria of THE FUND (Section 6)?
 - (2) How large is the opportunity and need? What are the risks and mitigation strategies? What are the possible and anticipated outcomes (milestones and deliverables)?
 - (3) What is the capacity to deliver the project? What are the leadership capabilities, financial viability, partner resources, critical input resources, endorsements and identified community of support, including online communities?

- (4) What is the business plan? What is the strategy for the sustainability of the project?
- (5) How will the outcomes of this project be communicated to the wider Church community?
- ii) After an initial evaluation, any applicant making a proposal over \$5,000 that meets the criteria will be asked to make a presentation to the GRANT REVIEW COMMITTEE.
- c) **AGREEMENT DOCUMENT**
An agreement document will be prepared among The GRANT REVIEW COMMITTEE, THE PARTNERS and the PROJECT which will include
 - i) Milestones and deliverables of the project
 - ii) Timeframe and reporting requirements for distribution of funds
 - iii) Oversight of the project will be done by the supporting PARTNER
 - iv) The PARTNER is accountable to ensure that 1/3 funding has been secured from another source
 - v) Accountability of the project will be through reports and reviews as set out in Section 6, e) ii) and iv).
 - vi) The agreement will be tailored to the size of the grant.

9) INVESTMENT OF THE FUND

The assets of THE FUND will be held by The Presbyteries of Toronto Conference Corporation (PTCC) as the owner of the assets of THE FUND and invested and managed subject to an Memorandum of Understanding between PTCC and THE PARTNERS giving effect to and permitting the implementation of the distribution of grants contemplated in these terms of reference and other relevant financial considerations, said Memorandum of Understanding to be negotiated and approved by THE PARTNERS and appended to the final Terms of Reference.

10) DISSOLUTION OF THE FUND

- a) In the event that any one or more of THE PARTNERS determines that THE FUND is not achieving its purpose or that there is sufficient cause to end the grant process and dissolve THE FUND, THE PARTNER or PARTNERS wishing to do so shall give notice of their request to dissolve THE FUND, including a full rationale to all THE PARTNERS with a request to Toronto Conference Executive to convene a meeting of representatives of THE PARTNERS.
- b) Toronto Conference Executive will convene such a meeting within 60 days, naming a Chair and/or facilitator for the meeting.

- c) The request will be fully discussed by representatives of THE PARTNERS who may
 - i) Prepare a resolution to dissolve THE FUND for the consideration of THE PARTNERS, or
 - ii) Propose amendments to these Terms of Reference for the consideration of THE PARTNERS, or
 - iii) Take no action
- d) In the event that a resolution to dissolve THE FUND is put to THE PARTNERS, it shall be deemed adopted when three of the five partners give their approval.
- e) Following the approval of the dissolution of THE FUND, sufficient assets will be encumbered to satisfy any outstanding commitments of THE FUND and any remaining assets will be divided in five equal parts, one part to be transferred to Toronto Conference and the remaining four parts transferred to the Presbytery Funds held by PTCC.

11) APPROVAL AND AMENDMENT

- a) These Terms of Reference will come into force with the approval of each of THE PARTNERS and the approval of the Memorandum of Understanding by THE PARTNERS and PTCC.
- b) Amendment to these Terms of Reference or the Memorandum of Understanding will require the approval of each of THE PARTNERS

APPENDIX: EXTRACT FROM TORONTO CONFERENCE MINUTES

Following from the extensive consultation on the use of proceeds from property sales held on April 11-12, June 6-7 and October 3, 2014, and consideration of the results of that consultation, the Executive of Toronto Conference took the following action on November 12, 2014 and amended its Property Policy to give effect to the following

...that Toronto Conference establish a Leadership Development and New Ministries Fund (or a name to be determined) to focus on leadership development for the future and ministry development, subject to the review of all criteria every three years with the following agreements/action items:

- a) THE FUND will be established at \$3,000,000 and be maintained at that value based on year-end market value subject to yearly adjustments for inflation.
- b) Contributed principal, realized capital gains together with other investment income including dividends and interest would be available for use.
- c) Request all presbyteries to support the Leadership Development and New Ministries Fund as presbyteries make decisions regarding property sales.
- d) THE FUND would be available for use by the four presbyteries and Toronto Conference according to the terms of reference for THE FUND.
- e) Agree to name two Conference representatives to a Conference/inter-presbytery body that will recommend to the Conference Executive terms of reference, including the process for reviewing applications and approving grants.
- f) Request each presbytery to name two representatives to a Conference/inter-presbytery body that will recommend to each presbytery terms of reference, including the process for reviewing applications and approving grants.
- g) Implement THE FUND by June 30, 2015 or sooner if the presbyteries and Conference are in agreement.

